



For Release: Thursday, February 26, 2015

15-315-PHI

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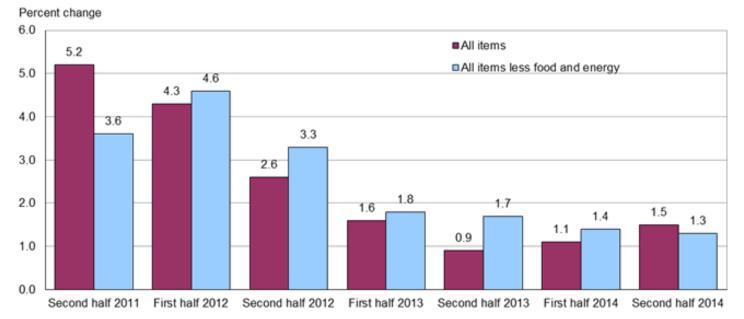
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# Consumer Price Index, Pittsburgh – Second Half 2014 Local prices up 1.5 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Pittsburgh area advanced 1.5 percent from the second half of 2013 to the second half of 2014, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Sheila Watkins noted that the all items less food and energy index rose 1.3 percent from the second half of 2013. Prices increased for several categories, most notably shelter. Food prices rose 2.9 percent over the year and energy prices increased 1.8 percent. (See chart 1.)

Chart 1. Over-the-year percent change in CPI-U, Pittsburgh, second half 2011-second half 2014



Source: U.S. Bureau of Labor Statistics.

#### Food

Food prices advanced 2.9 percent since the second half of 2013, led by a 3.2-percent increase in prices for food away from home. Prices for food at home also rose, up 2.5 percent over the year.

#### **Energy**

The energy index, which includes prices for household and transportation fuels, rose 1.8 percent from the second half of 2013 to the second half of 2014, reflecting increases in prices for electricity (15.2 percent) and utility (piped) gas service (0.5 percent). These increases were partially offset by a decrease in prices for gasoline (-3.2 percent).

## All items less food and energy

Over the year, the index for all items less food and energy increased 1.3 percent. Price increases were led by shelter, up 4.0 percent, particularly the owners' equivalent rent of residences component which rose 5.2 percent. Moderating the 12-month increase in the all items less food and energy index were lower prices for recreation, down 6.4 percent, and medical care, down 3.0 percent.

The Consumer Price Index for the First Half of 2015 is scheduled to be released on August 19, 2015.

## **Technical Note**

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers approximately 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17\_a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **Note: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.** 

The **Pittsburgh**, **Pa.** metropolitan statistical area covered in this release is comprised of Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland Counties in Pennsylvania.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods, Pittsburgh, PA (1982-84=100 unless otherwise noted)

Expenditure category	Indexes				Percent change from	
	Historical data	2nd Half 2013	1st Half 2014	2nd Half 2014	2nd Half 2013	1st Half 2014
All items	W	235.719	238.663	239.249	1.5	0.2
Food and beverages	W	244.527	247.931	251.685	2.9	1.5
Food	W	244.114	247.450	251.302	2.9	1.6
Food at home	W	241.792	243.562	247.861	2.5	1.8
Food away from home	W	250.608	255.408	258.681	3.2	1.3
Alcoholic beverages	W	250.236	254.478	257.078	2.7	1.0
Housing	W	230.195	234.892	239.211	3.9	1.8
Shelter	W	257.816	262.980	268.089	4.0	1.9
Rent of primary residence (1)	W	225.437	229.548	232.495	3.1	1.3
Owners' equivalent rent of residences (1)	MY	253.679	261.258	266.886	5.2	2.2
Owners' equivalent rent of primary residence (1) (2)	WAY	253.679	261.258	266.886	5.2	2.2
Fuels and utilities	W	235.785	245.966	250.513	6.2	1.8
Household energy	W	214.455	224.112	229.977	7.2	2.6
Gas (piped) and electricity (1)	W	200.664	208.401	218.774	9.0	5.0
Electricity (1)	W.	158.395	163.206	182.393	15.2	11.8
Utility (piped) gas service (1)	W	226.147	237.711	227.273	0.5	-4.4
Household furnishings and operations	W	148.588	146.939	148.479	-0.1	1.0
Apparel	W	155.864	152.905	154.048	-1.2	0.7
Transportation	W	192.410	198.608	192.908	0.3	-2.9
Private transportation	W	190.558	196.486	191.135	0.3	-2.7
Motor fuel	Mr	310.218	326.615	300.549	-3.1	-8.0
Gasoline (all types)	W	313.485	329.848	303.533	-3.2	-8.0
Gasoline, unleaded regular (3)	MA	310.959	327.346	300.383	-3.4	-8.2
Gasoline, unleaded midgrade (3) (4)	W	334.887	351.948	326.187	-2.6	-7.3
Gasoline, unleaded premium (3)	W	299.442	314.538	292.338	-2.4	-7.1
Medical care	W	462.856	462.432	449.069	-3.0	-2.9
Recreation (5)	W	123.874	119.347	115.930	-6.4	-2.9
Education and communication (5)	W	145.200	145.770	146.310	0.8	0.4
Other goods and services	W	403.789	403.483	410.828	1.7	1.8
Commodity and service group						
Commodities	MA	205.819	207.827	205.905	0.0	-0.9
Commodities less food and beverages	γγ. γγ.	183.697	184.977	180.472	-1.8	-2.4
Nondurables less food and beverages	W	239.608	242.565	235.160	-1.9	-3.1
Durables	Nr.	124.803 269.053	124.423 273.070	122.666 275.645	-1.7 2.5	-1.4 0.9
Special aggregate indexes All items less medical care	kw	224.758	227 922	220 005	4.0	0.5
	YA.	224.758	227.833 232.362	228.985 231.041	1.9 0.3	0.5 -0.6
All items less shelter  Commodities less food	W.	186.258	187.631	183.367	-1.6	-0.6 -2.3
Nondurables	WA.	242.548	245.841	243.929	0.6	-2.3 -0.8
Nondurables less food	WA	242.548	243.841	243.929	-1.5	-0.8 -2.8
Services less rent of shelter (2)	WA	240.292	290.199	289.943	0.8	-2.d -0.1
Services less medical care services	WA.	255.255	259.535	263.183	3.1	-0.1 1.4

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods, Pittsburgh, PA (1982-84=100 unless otherwise noted) - Continued

Expenditure category	Indexes				Percent change from	
	Historical data	2nd Half 2013	1st Half 2014	2nd Half 2014	2nd Half 2013	1st Half 2014
Energy	W	264.137	277.082	268.833	1.8	-3.0
All items less energy	W	234.900	237.122	238.455	1.5	0.6
All items less food and energy	W.	234.200	236.245	237.177	1.3	0.4

#### Footnotes

- (1) This index series was calculated using a Laspeyres estimator. All other item stratum index series converted to a geometric means estimator in January, 1999.
- (2) Indexes on a December 1982=100 base.
- (3) Special index based on a substantially smaller sample.
- (4) Indexes on a December 1993=100 base.
- (5) Indexes on a December 1997=100 base.

Note: Index applies to a month as a whole, not to any specific date.